9

STANDING COMMITTEE
ON FINANCE
(2004)

FOURTEENTH LOK SABHA

MINISTRY OF COMPANY AFFAIRS

DEMANDS FOR GRANTS
(2004-2005)

[Action taken by the Government on the recommendations contained in the Fifth Report of the Standing Committee on Finance on Demands for Grants (2004-2005) of the Ministry of Company Affairs]

NINTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2004/Pausa, 1926 (Saka)

NINTH REPORT

STANDING COMMITTEE ON FINANCE
(2004)

(FOURTEENTH LOK SABHA)

MINISTRY OF COMPANY AFFAIRS

DEMANDS FOR GRANTS
(2004-2005)

[Action taken by the Government on the recommendations contained in the Fifth Report of the Standing Committee on Finance on Demands for Grants (2004-2005) of the Ministry of Company Affairs]

Presented to Lok Sabha on 22 December, 2004
Laid in Rajya Sabha on 22 December, 2004

LOK SABHA SECRETARIAT
NEW DELHI

December, 2004/Pausa, 1926 (Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE

INTRODUCTION

CHAPTER I Report

CHAPTER II Recommendations/observations which have been accepted by the Government

CHAPTER III Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies

CHAPTER IV Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee

CHAPTER V Recommendations/observations in respect of which final replies of the Government are still awaited

Minutes of the sitting of the Committee held on 20 December, 2004

APPENDIX

Analysis of the action taken by government on the recommendations contained in the Fifth report of the Standing Committee on Finance (Fourteenth Lok Sabha) on Demands for Grants (2004-2005) of the Ministry of Company Affairs

COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2004-2005

Maj. Gen (Retd.) B.C. Khanduri - Chairman

MEMBERS

LOK SABHA

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Bhartruhari Mahtab
5. Shri Shyama Charan Gupt
6. Shri Gurudas Kamat
7. Shri A. Krishnaswamy
8. Shri Bir Singh Mahato
9. Dr. Rajesh Kumar Mishra
10. Shri Madhusudan Mistry
11. Shri Rupchand Pal
12. Shri Danve Raosaheb Patil
13. Shri Shriniwas D. Patil
14. Shri K.S. Rao
15. Shri Jyotiraditya Madhavrao Scindia
16. Shri Lakshman Seth
17. Shri G.M. Siddeshwara
18. Shri Ajit Singh
19. Shri M.A. Kharabela Swain
20. Shri Vijoy Krishna
21. Shri Magunta Sreenivasulu Reddy

RAJYA SABHA

22. Shri Murli Deora
23. Shri R.P. Goenka
24. Shri Jairam Ramesh
25. Shri M. Venkaiah Naidu
26. Shri Yashwant Sinha
27. Shri Chittabrata Mazumdar
28. Shri S.P.M. Syed Khan
29. Shri Amar Singh
30. Shri C. Ramachandraiah
31. Shri Mangani Lal Mandal

SECRETARIAT

1. **Sh. P.D.T. Achary - Additional Secretary**
2. **Dr. (Smt.) P.K. Sandhu - Joint Secretary**
3. **Sh. R.K. Jain - Deputy Secretary**
4. **Sh. R.C. Kakkar - Under Secretary**

INTRODUCTION

I, Chairman of the Standing Committee on Finance (2004-05) having been authorized by the Committee to submit the Report on their behalf present this Ninth Report on action taken by Government on the recommendations contained in the fifth Report of the Committee (Fourteenth Lok Sabha) on Demands for Grants (2004-2005) of the Ministry of Company Affairs.

2. The Report was presented to Lok Sabha/laid in Rajya Sabha on 20 August, 2004. The Government furnished the written replies indicating action taken on all the recommendations on 11 November, 2004. The draft action taken report was considered and adopted by the Committee at their sitting held on 20 December, 2004.

3. An analysis of action taken by Government on the recommendations contained in the fifth Report (Fourteenth Lok Sabha) of the Committee is given in the Appendix.

4. For facility of reference observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
20 December, 2004
30 Agrahayana, 1926(Saka)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance

CHAPTER 1

REPORT

1. This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations contained in their fifth Report (Fourteenth Lok Sabha) on Demands for Grants (2004-2005) of the Ministry of Company Affairs which was presented to Lok Sabha/laid in Rajya Sabha on 20 August, 2004.

2. The Report contained seven recommendations. Action taken notes have been received from the Government in respect of all the recommendations contained in the Report. These have been analysed and categorized as follows:

(i) Recommendations/observations that have been accepted by the Government:

Recommendation Nos 1, 6, 7

(Total 3) (Chapter II)

(ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies:

Recommendations Nos. 3,4

(Total 2) (Chapter III)

(iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee:

Recommendations Nos. 2, 5

(Total 2) (Chapter IV)

(iv) Recommendations/observations in respect of which final reply of the Government is still awaited:

Nil (Chapter V)

3. The Committee desire that reply in respect of the recommendation contained in Chapter I of the Report may be furnished to them expeditiously.

4. The Committee will now deal with action taken by the Government on some of their recommendations:

A. COMPANY LAW BOARD
Recommendation (Para No. 15)

5. Focussing on the functioning the Company Law Board the Committee noted with serious concern that affairs of the Company Law Board (CLB) were being managed the only 3 members as against the sanctioned strength of 9 members. They were dismayed at the apathetic attitude of the Government with regard to Company Law Board otherwise such a body would not have been allowed to function with one third of the sanctioned strength. That affected the disposal of petitions substantively. They deplored the sorry state of affairs. They were given to understand that functions of Company Law Board would be transferred to the newly created National Company Law Tribunal (NCLT) which was not functional due to stay granted by High Court. The Committee had, therefore, recommended that till the stay was vacated and NCLT made fully operational, the Government should take steps to fill the vacant posts in the Company Law Board .

6. The Government in their action taken reply have stated as follows**:-**

> "The process of appointment of Chairman/ Members of the Company Law Board was taken up in 2001 but was subsequently kept in abeyance since the Company Law Board was to be wound up and replaced by the National Company Law Tribunal, consequent to the enactment of the Companies (Second Amendment) Bill - then under consideration. The Companies (Second Amendment) Act was enacted in 2002.
>
> Continuation of the Company Law Board is considered necessary until the constitution and functioning of the proposed National Company Law Tribunal (NCLT) as a transitional arrangement. At present, constitution of NCLT is delayed on account of a legal challenge to some provisions of the Companies (Second Amendment) Act 2002. The matter is under the consideration of the Supreme Court.
>
> In view of the likely delay in constitution of NCLT, steps have again been initiated by this Ministry to select suitable persons for the post of Chairman and two members of the Company Law Board (CLB). In the interim, arrangements are being made for proper functioning of the CLB."

7. The Committee after taking note of the apathetic attitude of the Government with regard to the functioning of Company Law Board (CLB), which was being managed by only three members against the sanctioned strength of nine members, had specifically recommended that till the stay was vacated and National Company Law Tribunal (NCLT) made functional Government should fill up the vacancies for the smooth functioning of CLB. The Committee are deeply perturbed to find that instead of filling up all the vacancies in the Company Law Board, the Ministry have initiated steps for filling up the vacancies of the Chairman and two members only inspite of the specific recommendation of the Committee. They deprecate this casual approach of the government in not taking the recommendation of the Committee seriously. The Committee fail to understand as to how the claim of the Ministry for smooth functioning of the Company Law Board could be substantiated in the absence of full complement of the Company Law Board. The Committee cannot but reiterate their earlier recommendation to fill up all vacancies in CLB without further delay. The Committee would like to be informed of the steps taken by the Government in this regard within two months after the presentation of the Report.

B. INSPECTIONS

Recommendation (Para No. 38)

8. The Committee had expressed their serious concern over the downward trends of inspections of the companies carried out by the Government. The Committee also found that even 1% of the companies i.e. 6,52,000 as on date were not inspected during 2003, 2004. They had observed that the number of inspections were coming down year after year. They had observed that that such a casual approach of the Government towards inspections had made the mockery of the system. They were however informed about the inadequacy of staff in the Inspection Wing which could be augmented once the cadre review exercise was completed. The Committee were also informed that an Expert Committee (Shardul Sharoff Committee) on outsourcing the routine inspection was to submit its report. The Committee had desired that both these reports would be expedited and implemented at the earliest.

9. The Government in their action taken reply have stated as under:-

> "The Ministry takes the function of inspection as provided under the Companies Act with due seriousness and notes the observations of the Hon'ble Committee for guidance. It is submitted that the number of inspections in the year 2003-2004 has been recorded as less compared to the previous years mainly because during this period, the Inspecting Officers were deputed in to submit supplementary inspection reports on all the inspections done in connection with the Stock Market Scam, 2001, numbering ninety-six. The supplementary reports were, however, not classified as inspections and therefore not taken into account as such for statistical purposes only. The inspection function of the Ministry is being geared up by drawing up a framework for regular inspections by all the available inspecting staff, timely completion of inspections already taken up and proper follow up for prosecution of violations/contraventions of the law. The Cadre Review Committee has been constituted in the Ministry and is preparing proposals for cadre review of ICLS. The observations of Hon'ble Committee are being kept in view. The `Shardul Shroff Committee' is expected to submit its report shortly on `Outsourcing the Routine Inspections under Section 209A of the Act'.

10. The Committee are not convinced with the reply of the Government with regard to continuing less number of inspections wherein it has been stated that inspecting officers were busy in preparation of 96 supplementary Inspection Reports relating to recommendation of the Joint Parliamentary Committee on Stock Market Scam. Even if these 96 reports are taken into consideration and treated as inspections under the Companies Act, the number of inspections done during the period would be much less than 1% of the total number of companies. The Committee are constrained to find that the Committee for Cadre Review and Shardul Shroff Committee could not finalise their proposals for augmenting the staff and outsourcing the routine inspections respectively which resulted in the delay of the revamping of inspection wing and outsourcing of Routine Inspection Mechanism even after a lapse of four months since the report of the Committee was presented.

11. The Committee are of the opinion that unless the cadre review of the staff is done and routine inspections are outsourced, there will be no significant improvement in the matter of inspections. The Committee, therefore, desire the Government to take positive steps in this direction so that the exercise for Cadre Review is expedited and the recommendations made by Shardul Shroff Committee are finalised at the earliest so that the Inspection Wing of the Ministry could be strengthened and mechanism for outsourcing of Routine Inspection could be set up without further delay.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. Nos. 1, Para nos. 9&10)

The Committee take note of the fact that till now the Companies Act was being amended in a piecemeal manner and to meet the requirements at a given point of time. Since the commencement of the Act in 1956, it has been amended 24 times. They recall their earlier recommendation made in their Report on Demands for Grants pertaining to Department of Company Affairs in 2003-04 wherein the Government was asked to make comprehensive overhaul of the existing Act.

The Committee do appreciate the endevaour of the Government to take up the exercise for developing the concept paper for comprehensive overhaul of the Companies Act, 1956. They are given to understand that the said concept paper has been circulated to all the interested parties e.g. corporates, regulatory bodies, stakeholders and autonomous professional institutions. Thy want that adequate publicity may also be made through print and electronic media so that public at large may also involve themselves in the exercise and make suggestions. The Committee expect that the exercise would be completed in a fixed time and Government will come forward with a new look Companies Bill which meets the requirements of all concerned without any delay.

Reply of the Government

The recommendations/observations of the Standing Committee of Finance as contained in its Fifth Report on Demands for Grants (2004-2005) have been noted for compliance.

The Ministry has already taken up a comprehensive review of the Companies Act 1956 with a view to enabling revised legislation to replace the same.

A concept paper on Company Law was placed on the Ministry website on August 4, 2004, for a period of three months, to provide information on the initial proposals for revision of the Companies Act 1956 in legislative format for a wide based consultative process with various stakeholders.

A large number of responses have been received. Detailed consultations are being held with various industry associations, professional bodies etc. on the suggestions made by them to evolve a broad consensus on various issues.

Simultaneously Concept Rules and Schedules associated with the Concept Paper are also being developed. These are also proposed to be placed on the website of the Ministry.

On the basis of consensus achieved through this process, a revised Companies Bill would be drafted. It is expected that the preparation of a new, revised Companies Bill would be possible by the first quarter of Financial Year 2005-06.

Recommendation (Sl. No. 6, Para no. 43)

The Committee do not approve the casual manner in which the Government is apparently content with furnishing its replies in regard to higher expenses in foreign travel expenses. The Committee are not inclined to accept the explanation advanced by the Government. None of the reasons adduced by the Ministry which necessitated unforeseen expenditure are such which could not have been foreseen in advance. The Government has furnished a trivial pretext that the higher actuals during 2002-03 were due to deputation of officers at various levels for the international meetings, workshops, symposiums etc. The Committee are deeply concerned to note that the actual expenditure under this head is higher than the budgetary estimates. They note that the austerity and economy instructions have been recommended from time to time but continuously ignored which has resulted in variations between BE and Actuals. The entire budgetary exercise thus goes haywire. In view of the foregoing, the Committee are of the view that no serious efforts are being made by the Government either in anticipating and projecting realistic demand or in making a judicious and economical use of funds allocated under the foreign travel expenses.

Reply of the Government

It is submitted that important developments are taking place at the international level in areas such as Corporate Governance, Insolvency Law, Investigation of Serious Frauds, Accounting Standards, Competition Policy & Law and Computerisation of Company Registries. Various meetings, workshops, symposiums, etc are held in regard to matters such as these. India needs to keep itself abreast of the developments in the world. The Competition Act has already been enacted and the Competition Commission of India has also been set up. Since several of these areas are new, the Ministry was required to interact with some leading agencies, which are working in the area of Competition such as :-

(i) OECD (Organisation for Economic Cooperation and Development).

(ii) UNCTAD (United Nations Conference on Trade and Development).

(iii) ICN (International Competition Network).

(iv) WTO (World Trade Organisation).

2. The Government of India also attaches great importance to the Corporate Governance, India has become a member of the Steering Committee of the GCGF a World Bank organization by paying an annual contribution of US $ 2,50,000 from March, 2003. The meetings of the Steering Committee of the GCGF are held at regular intervals. The representation of the Ministry of Company Affairs for participation in these meetings is also very important. Moreover, the representative of the Ministry of Company Affairs is also a part of the delegation of Department of Commerce, which participates in the meetings of GATT Negotiation. In addition to above, India is also a member of the UNCITRAL (United Nations Commission on International Trade Law) and the representatives of the Ministry of Company Affairs are regularly attending meetings of its working Group-V relating to Insolvency Law every year.

3. The increase in the Foreign Travel Expenses of the Ministry over the years 2001-02 and 2002-03 have been mainly due to the participation of India in the meetings of above International Organizations relating to Competition Commission, Corporate Governance, Insolvency Law etc. Keeping in view the, observations of the Hon'ble Committee, BE for the year 2004-2005 has been carefully reviewed. The initial BE of Rs. 29 lakhs has now been proposed at Rs. 20 lakhs at RE stage.

Recommendation (Sl. No. 7, Para no. 47)

The Committee are not satisfied with the explanation of the Government accounting for the under utilization of the expected amount of expenditure. The Government has not provided a convincing explanation for under utilization of the amount. The Committee are concerned that the Government is not making realistic anticipation in respect of its demands. They strongly disapprove the explanation advanced by the Ministry and opine that while preparing budget estimates, actual requirement should be kept in view. The Committee feel that realistic demands would make the funds available for other significant areas.

Reply of the Government

The observations/recommendations of the Standing Committee on Finance as contained in its Fifth Report on Demands for Grants (2004-2005) have been noted for compliance. While preparing Budget estimates in future, utmost care would be taken to keep actual requirements in view.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES.

Recommendation (Sl. No. 3 , Para no. 24)

The Committee note that Serious Fraud Investigation Office (SFIO) was set up recently in October, 2003. So far till date only six cases have been referred to the SFIO and it has been able to complete its investigation only in one case, while another case is still under investigation and in the case of another four cases stay has been granted by the Hon'ble High Court. The Committee have been apprised that in the Enquiry Report submitted by SFIO some suggestions have been made on improving the system, law and procedure etc. and these recommendations are being looked into by the Expert Committee and the action on the recommendations will be taken after the report is made available by this Committee. The Committee desire that Government should take necessary action with regard to getting the stay orders vacated and also take expeditious action on the report submitted by the Expert Committee.

Reply of the Government

The Hon'ble Committee's observations have been noted for guidance.

In respect of the four cases stayed by the Hon'ble High Courts which were referred to SFIO for investigation, the Ministry of Company Affairs is vigorously contesting all these cases. In three cases, where the interim stay was contested, the final verdict has come. In two cases, the stay has been vacated and investigation has been allowed to continue. In one case, the case has been referred back to ROC for further examination. At present, only one case is pending before the Court where an early hearing application has been made and the judgement is expected shortly.

Additional cases are now being referred to SFIO for investigation. On the first enquiry report submitted by the SFIO, the recommendations of SFIO were examined by a Committee of Experts constituted by the Ministry to advise on further legal action to be taken by the Government. Further action in the matter is being taken by the Government on the basis of the SFIO Report and in light of the recommendations of the Expert Committee.

Recommendation (Sl. No. 4, Para no. 29&30)

The Committee are surprised to note that 'nil' budgetary allocation has been sought in favour of the Competition Commission of India , whereas operation of both these organizations has been stayed by the Courts, the Government has sought Rs. 28300 thousands for National Company Law Tribunal.

They are not convinced by the Government's reply in regard to allocations for Competition Commission of India. They are of the opinion that 'nil' allocation gives an impression as if the government does not intend to make the organization functional in the near future. They, therefore, want that in order to ward off such an impression the Government should make at least notional provision in such cases.

Reply of the Government

'Nil' budgetary allocation has been shown against Competition Commission of India (CCI) since funds to CCI were proposed to be provided through Grants-in Aid for which there is a separate Budget Head.

A total fund of a sum of Rs. 50800 thousands, proposed to be spent by the CCI during the current financial year have been shown under the Head 'Grants-in-Aid' (Major Head 3451) .

The CCI was created during the financial year 2003-2004 and at that time provision was made under different heads, namely, Salary, Domestic Travel Expenses, Office Expenses, Rent and Professional Services. However, during the financial year 2004-2005, the total budget of CCI was shown under the Head 'Grants-in-Aid' in consultation with the Ministry of Finance as CCI is to function as an autonomous body under the Government of India and not like a Department of Government of India. As such during the financial year 2004-2005, the total budget of CCI i.e. Rs.50800 thousands have been shown under the head 'Grants-in-Aid' (Major Head 3451).

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 2, Para no. 15)

The Committee note with serious concern that affairs of the Company Law Board (CLB) are being managed by the only 3 members as against the sanctioned strength of 9 members. They are dismayed at the apathetic attitude of the Government with regard to Company Law Board otherwise such a body would not have been allowed to function with one third of the sanctioned strength. This affects the disposal of petitions substantively. They deplore the sorry state of affairs. They are given to understand that functions of Company Law Board will be transferred to the newly created National Company Law Tribunal (NCLT) which is not functional at present due to stay granted by High Court. Till the stay is vacated and NCLT made fully operational, the Government should take steps to fill the vacant posts in the Company Law Board .

Reply of the Government

The process of appointment of Chairman/ Members of the Company Law Board was taken up in 2001 but was subsequently kept in abeyance since the Company Law Board was to be wound up and replaced by the National Company Law Tribunal, consequent to the enactment of the Companies (Second Amendment) Bill - then under consideration. The Companies (Second Amendment) Act was enacted in 2002.

Continuation of the Company Law Board is considered necessary until the constitution and functioning of the proposed National Company Law Tribunal (NCLT) as a transitional arrangement. At present, constitution of NCLT is delayed on account of a legal challenge to some provisions of the Companies (Second Amendment) Act 2002. The matter is under the consideration of the Supreme Court.

In view of the likely delay in constitution of NCLT, steps have again been initiated by this Ministry to select suitable persons for the post of Chairman and two members of the Company Law Board (CLB). In the interim, arrangements are being made for proper functioning of the CLB.

Recommendation (Sl. No. 5, Para no. 38)

The Committee note with serious concern that the number of inspections are coming down year after year. The Government has accounted for less inspections during 2003-04 which is miniscule when compared to the number of Companies as on date. At present, there are 6,52,000 companies operating in the country. As such not even 1% of the companies are being inspected. They are of the view that such a casual approach of the Government towards inspections has made the mockery of the system. The earlier recommendations of the Committee in this regard have not been taken seriously by the Government. They are given to understand that the Government does not have adequate staff to carry on such a stupendous task and a cadre review exercise is being carried out in the Ministry which will, on implementation augment the staff of inspection wing. They also express their satisfaction that the expert Committee (Shardul Shroff Committee) on outsourcing the routine inspections under Section 209A has finalized its report which is yet to be submitted to the Government. They expect that both the reports viz. Cadre Review and Shardul Shroff Committee will be expedited and implemented by the Government as early as possible.

Reply of the Government

The Ministry takes the function of inspection as provided under the Companies Act with due seriousness and notes the observations of the Hon'ble Committee for guidance.

2. It is submitted that the number of inspections in the year 2003-2004 has been recorded as less compared to the previous years mainly because during this period, the Inspecting Officers were deputed in to submit supplementary inspection reports on all the inspections done in connection with the Stock Market Scam, 2001, numbering ninety-six. The supplementary reports were, however, not classified as inspections and therefore not taken into account as such for statistical purposes only.

3. The inspection function of the Ministry is being geared up by drawing up a framework for regular inspections by all the available inspecting staff, timely completion of inspections already taken up and proper follow up for prosecution of violations/contraventions of the law.

4. The Cadre Review Committee has been constituted in the Ministry and is preparing proposals for cadre review of ICLS. The observations of Hon'ble Committee are being kept in view.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

- NIL -

NEW DELHI;
20 December, 2004
30 Agrahayana, 1926(Saka)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance

Minutes of the Tenth sitting of Standing Committee on Finance

The Committee sat on Monday, 20 December, 2004 from 1530 to 1600 hrs.

PRESENT

Maj. Gen (Retd.) B.C. Khanduri - Chairman

MEMBERS

LOK SABHA

2. Shri Gurudas Das Gupta
3. Shri Shyama Charam Gupt
4. Shri Madhusudan Mistry
5. Shri Shriniwas D. Patil
6. Shri K. S. Rao
7. Shri Jyotiraditya Madhavrao Scindia
8. Shri G.M. Siddeshwara
9. Shri M.A. Kharabela Swain

RAJYA SABHA

10. Shri Jairam Ramesh
11. Shri M. Venkaiah Naidu

Secretariat

1. Shri. P.D.T. Achary - Additional Secretary
2. Shri R.K. Jain - Deputy Secretary
3. Shri R.C. Kakkar - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. XX XX XX XX XX XX.

4. XX XX XX XX XX XX.

5. XX XX XX XX XX XX.

6. The Committee thereafter, took up for consideration the draft action taken report on the Demands for Grants (2004-2005) of the Ministry of Company Affairs and adopted the same without any amendment.

7. XX XX XX XX XX XX.

8. The Committee then authorised the Chairman to finalise the Reports in the light of amendments suggested as also to make verbal and other consequential changes and present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

(*Vide* Para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTH REPORT OF THE STANDING COMMITTEE ON FINANCE (FOURTEENTH LOK SABHA) ON DEMANDS FOR GRANTS(2004-2005) OF THE MINISTRY OF COMPANY AFFAIRS

		Total	% of Total
(i)	Total number of recommendations	7	
(ii)	Recommendations/observations which have been accepted by the Government (*Vide* Recommendations at Sl. Nos. 1,6 & 7)	3	43
(iii)	Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies (*Vide* Recommendations at Sl. Nos. 3 & 4)	2	28.5
(iv)	Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee (*Vide* Recommendations at Sl. Nos. 2 & 5)	2	28.5
(v)	(Recommendation/observation in respect of which final reply of the Government is still awaited (Nil)	NIL	00.00